



## **Assessing and Addressing the Effects of Trade on Employment (ETE) Project**

Welcome to the first issue of the quarterly e-newsletter of the ETE project in Bangladesh. This newsletter is a forum for information about the effects of trade on employment issues and the activities of the ETE Project. Through this newsletter we hope to further engage and enhance cooperation with our tripartite constituents, key partners and other stakeholders. This issue gives a brief overview of the project and highlights the events and activities since the beginning of the Project in Bangladesh. Each future issue will contain an update of the project, articles about the impact of trade and employment in Bangladesh, and any readers' contribution. We see this newsletter as an opportunity for two way interactions with our constituents and stakeholders. We are pleased to receive your comments, feedback, and ideas on the issues of trade and employment. Please email them to: [ete\\_dac@ilo.org](mailto:ete_dac@ilo.org)



### **Major ETE activities in Bangladesh**

- ✓ reviewing existing literature on trade and employment and available statistical data for assessing the effects of trade on employment;
- ✓ developing training tools together with the International Training Centre of the ILO;
- ✓ strengthening the capacity of the policy makers and social partners to assess the effects of changes in trade policy on employment and to support the formulation of coherent trade and labour market policy;

- ✓ establishing a policy working group to facilitate policy coherence;
- ✓ conducting assessment/study of the effects of trade on employment and of complementary labour market policies and strategies to address the employment effects;
- ✓ facilitating tripartite social dialogue among relevant policy makers, representatives from employers' organizations; trade unions and other institutions on the outcome of assessment/study; and
- ✓ Recommending policies, strategies and programmes to facilitate trade related adjustment and enhance opportunities for employment creation.

### **EC/ILO Project -Assessing and Addressing the Effects of Trade on Employment**

#### **Objective**

Analysing and supporting formulation of effective and coherent trade and labour market policies to address the effects of trade on employment and expand creation of decent work

**Duration:** 4 Years (2009-2013)

#### **Geographical coverage**

Bangladesh

Guatemala

Benin

Indonesia

**Donor:** European Union

**Budget:** USD 4.5 Million

### **Expected results:**

- Have a better understanding of the link between trade and employment in Bangladesh;
- Have the capacity to assess the impact of trade on employment in all tripartite group members;
- Support the design of coherent trade and labour market policy;
- Learn from the process in other countries.



## Recent ETE events in Bangladesh

### *Capacity building of Policy Makers and Social Partners*

The ETE project of ILO in Bangladesh, Ministry of Labour and Employment and ITC-ILO jointly organized a tripartite knowledge sharing workshop on 'Assessing and Addressing the Effects of Trade on Employment' from 8-12 August 2010. The workshop was intended to enhance the capacity and understanding of the issues related to trade and employment of various government officials, trade union leaders and employers.

The Hon'ble Minister for Labour and Employment H.E. Engr. Khandaker Mosharraf Hossain was present as the Chief Guest at the inaugural ceremony while H.E. Ambassador, EU Delegation to Bangladesh, Secretary, Ministry of Commerce, Secretary General, Bangladesh Employers' Federation and The Chairman, National Coordination Committee for Workers' Education (NCCWE) were present as the special guests. Mr. Gagan Rajbhandari, Director a.i., ILO delivered the welcome speech whilst Mr. Ralf Peters, Chief Technical Advisor of ETE project made a brief presentation of the project. The inaugural session was chaired by Mr. Md. Nurul Haque, Secretary, Ministry of Labour and Employment.

The inaugural ceremony was followed by a high level tripartite panel presentation on Trade Liberalization and Labour Market: Opportunities and Challenges for Bangladesh. A panel of experts comprised of Mr. Md. Ghulam Hussain, Secretary, Ministry of Commerce, Mr. Syed Manzoor Elahi, Chairman, Apex group and Mr. Roy Ramesh Chandra, representative, NCCWE made presentations in the session.



Hon'ble Minister of Labour addressing at the inaugural ceremony of the Tripartite Training Workshop



Guests and constituents at the inaugural (from L-R): CTA, ETE project, Director a.i. ILO, Employers' representative, Secretary, Ministry of Commerce Hon'ble Minister for Labour, H.E. Ambassador of EU Delegation, Secretary, Ministry of Labour and NCCWE representative



The tripartite constituents taking part at the Training Workshop



Another high level technical panel presentation was held on 12 August, during the closing of the programme. Two technical papers were presented by Mr. Fakrul Ahsan, Chief, General Economics Division, Planning Commission and Dr. Muhammad Yunus, Senior Research Fellow, Bangladesh Institute of Development Studies (BIDS).

A total of 34 representatives from various agencies such as the Ministry of Labour and Employment, Ministry of Industry, Ministry of Finance, Ministry of Commerce, Economic Relations Division, Bangladesh Bureau of Statistics, Bangladesh Foreign Trade Institute, Export Promotion Bureau, Bangladesh Employers' Federation as well as Trade Unions participated in the training.



Secretary, Ministry of Labour and Employment giving away the certificates to the tripartite workshop participants



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### Owners asked to allow TU in RMG factories

Staff Reporter

In line with the workers' long demand Labour and Employment Minister Khandker Mosharraf Hossain yesterday asked the readymade garments factory owners to allow trade unions in their factories.

"A congenial environment for discussion between the workers and owners cannot be created without the presence of a trade union," the Minister said at a workshop in the city organised by the Ministry and the International Labour Organisation (ILO).

Representatives from the government, the RMG owners and workers attended the workshop.

The minister also said that labour representatives could "play an effective role to stop unrest in the sector."

He stressed the need for the reestablishment of discipline in the garments sector, saying that the country's image has been tarnished due to recent workers' unrest.

"Steps should be taken to address their problems. A tripartite committee is already working on it," he added.

Labour organisations have for a long time been requesting the government's assistance in forming trade unions in the sector.

The Minister said that the government will set up technical training centres in every district to build a skilled population. Five more marine academies will also be established. "With this, 100,000 skilled workers could be generated," he claimed.

The minister on June 28 told the Parliament that a negative attitude held by the ready-made garments owners stands in the way of trade unionism in the apparel sector.

While speaking during the passage of the labour amendment bill the minister also said that violence in the RMG sector is due to the absence of trade unionism.

The minister also urged the garment owners not to consider workers and the government as their "opponents".

Among others, head of delegation of the European Union Stefan Frowen, secretary general of Bangladesh Employers' Association Faruk Ahmed, ILO director Gagan Rajbhandari also spoke in the inaugural session of the workshop.

Garment worker leaders last month at a meeting demanded to allow them launching trade unions to lessen instability in the sector.

## ***Training for Trade Unions***

The ETE project and ITC-ILO jointly organized a training programme for Trade Unions on 'Basic concepts in international trade and employment' from 23-26 May 2010. The key objective of the training was to enhance the capacity of trade-union members. Enabling them to participate in effective dialogue would help policy makers formulate and implement coherent trade and employment policies in Bangladesh.



Chairman of NCCWE addressing at the inaugural session



The Participants to the Training workshop

Mr. Gagan Rajbhandari, Director a.i. ILO, Mr. Shah Md. Abu Zafar, Chairman and Mr. Wazedul Islam Khan, Member-Secretary of the NCCWE were present in the opening session.

A total of 21 trade union leaders from different sectors including Tea, Ready Made Garments, Leather, Banking, Railway and Jute participated in the training. Various issues related to trade and employment like Basic concepts of trade policies, Multilateral trading system, effects of trade on employment, trade and employment policy coherence, social dialogue and collective bargaining were discussed in technical sessions.

## **ETE research**

### ***Effects of International trade and FDI on Employment in Bangladesh: A Survey of the Literature***

ETE project conducted a literature review on the effects of international trade on employment in Bangladesh. The survey aimed at reviewing existing knowledge/ research on ETE and methodologies that have been used and identifying the possible gaps that need to be filled through subsequent research. The review found that the following areas needed further research and analysis: effects of FDI on employment, impact of women's employment in the export sector on future supply of the labour force, changes in labour demand due to trade openness, trade liberalization and changes in wages etc. Dr. Mahfuz Kabir, Senior Research Fellow of Bangladesh Institute of International Strategic Studies (BIISS) conducted the review.

We hope you have enjoyed the newsletter. Please feel free to forward it to anyone who you think would be interested to learn about ETE.

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